

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 18-23538 (RDD)  
(Jointly Administered)

**Re: Docket Nos. 3298, 3299**

**DECLARATION OF JULIE MINNICK BOWDEN IN SUPPORT OF OBJECTION  
OF BROOKFIELD PROPERTY REIT INC. TO NOTICES OF ASSUMPTION  
AND ASSIGNMENT OF ADDITIONAL DESIGNATABLE LEASES**

I, Julie Minnick Bowden declare:

1. I am the National Bankruptcy Director for Brookfield Property REIT Inc. (“Brookfield”). Brookfield is an affiliate of the landlords (the “Landlords”) for the leased premises (the “Leased Premises”) listed on **Exhibit A**. The Landlords are the landlords to the above-captioned Debtors, as tenants, with respect to the Leased Premises.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); SHC Licensed Business LLC (3718); and SHC Promotions LLC (9626). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

2. Based at Tyson's Galleria in McLean, Virginia, I am responsible for tenant bankruptcy matters for Brookfield's entire retail portfolio of shopping centers across the country, including the Leased Premises, and am directly involved in all prospective and current retail leases in Brookfield's portfolio. As the National Bankruptcy Director, I am familiar with Brookfield's asset portfolio, documents, and business records, and I (and those working with me and at my direction) have been personally involved in various capacities in connection with asset management, leasing, dispositions, and lease and claims administration.

3. I have over twenty years of experience in the retail industry. From 1998 to 2005, I worked at Simon Property Group in the Lease Administration, Bankruptcy and Collections Department. I joined GGP Inc. ("GGP"), a Chicago-based real estate investment trust, in 2005, and served as the National Bankruptcy Director until 2018 when Brookfield acquired GGP and all of the properties formerly owned and managed by GGP.

4. This declaration is submitted in response to the Notices of Assumption and Assignment filed at Docket Nos. 3298 and 3299 (the "Assignment Notices"). Pursuant to the Assignment Notices, Transform Holdco, LLC ("Transform"), the buyer of substantially all of the Debtors' assets, has designated the Leases for assignment to two proposed assignees - Transform Operating Stores LLC and Transform Leaseco (the "Assignees").

5. In connection with my role, I am one of the custodians of records of the Landlords' books, records, and files relate to the use and occupancy of retail premises at the Leased Premises. I am personally familiar with the Leased Premises, all of which are located in shopping centers. The Leases are not attached to this declaration given the volume of the documents but can be produced upon request. If called upon to testify in this proceeding as to the matters set forth in

this declaration, I could and would competently testify thereto, since the facts set forth herein are personally known to me to be true.

6. All of the Leased Premises are located in “shopping centers” as that term is used on the Bankruptcy Code. I am aware that when determining whether a lease is in a shopping center, courts generally consider whether there are a combination of leases, whether all leases are held by a single landlord, the presence of a common parking area, and the contiguity of retail stores. The Leased Premises satisfy these requirements. The websites listed on **Exhibit A** provide details as to the tenant list and location of the Leased Premises, and the majority of the websites also provide the total retail space in square feet, the number of retailers located in each shopping center, and the site plan.

7. In the ordinary course of its business, Brookfield and its affiliates, including the Landlords, require credit enhancements, in the form of security deposits, letters of credit and third party guaranties when leasing (or assessing a proposed assignment of a lease) to certain companies based on their financial information and history. In the case of a new company, particularly a recently-capitalized “newco” created for the purpose of acquiring distressed assets, Brookfield would ordinarily seek security in the form of cash deposits or letters of credit covering monetary obligations under assigned leases. Alternatively, or in combination with such deposits, when faced with a potential lease assignment to a “newco,” the landlord would typically seek a continuing guaranty of lease obligations from a parent company with sufficient assets to meet those guaranty obligations.

8. The Debtors, Transform, and the Assignees have not provided Brookfield with any information analyzing the Assignees’ current or projected financial condition or operational

capabilities compared to the Debtors at any time period, including at the time the Leases were entered into.

9. To my knowledge, neither the Assignees nor Buyer have proposed to invest significant sums in the Leased Premises through remodeling, restoration and other capital improvements that would demonstrate a long-term commitment to the Leased Premises and potentially ameliorate credit risk.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: Chicago, Illinois  
May 2, 2019

/s/ Julie Minnick Bowden  
Julie Minnick Bowden

**EXHIBIT A**

<b><u>Store No.</u></b>	<b><u>Mall Name</u></b>	<b><u>Location</u></b>	<b><u>Website</u></b>
2597	Animas Valley Mall (Sears)	Farmington, NM	<a href="https://www.brookfieldpropertiesretail.com/properties/property-details/animas-valley-mall.html">https://www.brookfieldpropertiesretail.com/properties/property-details/animas-valley-mall.html</a>
2628	Bayshore Mall (Sears)	Eureka, CA	<a href="https://www.brookfieldpropertiesretail.com/properties/property-details/bayshore-mall.html">https://www.brookfieldpropertiesretail.com/properties/property-details/bayshore-mall.html</a>
1274	Chesterfield Towne Center (Sears)	Richmond, VA (Chesterfield)	<a href="https://www.brookfieldpropertiesretail.com/properties/property-details/chesterfield-towne-center.html">https://www.brookfieldpropertiesretail.com/properties/property-details/chesterfield-towne-center.html</a>
1585	Governors Square	Tallahassee, Florida	<a href="https://www.brookfieldpropertiesretail.com/properties/property-details/governors-square.html">https://www.brookfieldpropertiesretail.com/properties/property-details/governors-square.html</a>
1508	Northridge Fashion Center GSPH	Northridge, CA	<a href="https://www.brookfieldpropertiesretail.com/properties/property-details/northridge-fashion-center.html">https://www.brookfieldpropertiesretail.com/properties/property-details/northridge-fashion-center.html</a>
1775	Pembroke Lakes	Pembroke Pines, FL	<a href="https://www.brookfieldpropertiesretail.com/properties/property-details/pembroke-lakes-mall.html">https://www.brookfieldpropertiesretail.com/properties/property-details/pembroke-lakes-mall.html</a>
2388	Prince Kuhio Plaza	Hilo, HI	<a href="https://www.brookfieldpropertiesretail.com/properties/property-details/prince-kuhio-plaza.html">https://www.brookfieldpropertiesretail.com/properties/property-details/prince-kuhio-plaza.html</a>
1678	Shoppes at Carlsbad (Sears)	Carlsbad, CA	<a href="https://www.brookfieldpropertiesretail.com/properties/property-details/the-shoppes-at-carlsbad.html">https://www.brookfieldpropertiesretail.com/properties/property-details/the-shoppes-at-carlsbad.html</a>
1248	Southland Mall (Sears)	Hayward, CA	<a href="https://www.brookfieldpropertiesretail.com/properties/property-details/southland-mall.html">https://www.brookfieldpropertiesretail.com/properties/property-details/southland-mall.html</a>
1624	Staten Island Mall	Staten Island, NY	<a href="https://www.brookfieldpropertiesretail.com/properties/property-details/staten-island-mall.html">https://www.brookfieldpropertiesretail.com/properties/property-details/staten-island-mall.html</a>
1728	Tucson Mall	Tucson, AZ	<a href="https://www.brookfieldpropertiesretail.com/properties/property-details/tucson-mall.html">https://www.brookfieldpropertiesretail.com/properties/property-details/tucson-mall.html</a>
2059	West Valley Mall (Sears)	Tracy (San Francisco), CA	<a href="https://www.brookfieldpropertiesretail.com/properties/property-details/west-valley-mall.html">https://www.brookfieldpropertiesretail.com/properties/property-details/west-valley-mall.html</a>
1434	Willowbrook NJ GSPH 2017	Wayne, NJ	<a href="https://www.brookfieldpropertiesretail.com/properties/property-details/willowbrook.html">https://www.brookfieldpropertiesretail.com/properties/property-details/willowbrook.html</a>
1684	Woodbridge Center	Woodbridge , NJ	<a href="https://www.brookfieldpropertiesretail.com/properties/property-details/woodbridge-center.html">https://www.brookfieldpropertiesretail.com/properties/property-details/woodbridge-center.html</a>
2092 <sup>2</sup>	Fox River Mall	Appleton, WI	<a href="https://www.brookfieldpropertiesretail.com/properties/property-details/fox-river-mall.html">https://www.brookfieldpropertiesretail.com/properties/property-details/fox-river-mall.html</a>
1681	Kapiolani Retail	Honolulu, HI	<a href="https://www.brookfieldpropertiesretail.com/properties/property-details/ala-moana-center.html">https://www.brookfieldpropertiesretail.com/properties/property-details/ala-moana-center.html</a>

<sup>2</sup>

This location was included on the Notice of Assumption and Assignment of Additional Designatable Leases filed on April 15, 2019 at Docket No. 3211.